



CITY COUNCIL

Work Session

***Work Session
Penn Room***

***Tues, Jan. 18, 2011
7:00 P.M.***

Although Council Work Sessions are open to the public, public comment is not permitted. However, citizens are encouraged to attend and observe the work sessions. Comment from citizens or professionals during the work session may be solicited on agenda topics via invitation by the Council President.

- I. Call to Order**
- II. Managing Director's Report**
- III. Council Staff Report**
- IV. CORE Presentation (Reading Berks Assn of Realtors)**
Reading Redevelopment Authority & BPRC Chair invited to attend
- V. Review of Financial Policies (PFM)**
- VI. Adjourn**

City of Reading

City Council

Work Session

Monday, December 20, 2010

Councilors Attending: J. Waltman, D. Sterner, F. Acosta, D. Reed, M. Marmarou, M. Goodman-Hinnershitz

Others Attending: L. Kelleher, C. Younger, C. Geffken, F. Denbowski, D. Kaplan, G. Mann

Mr. Waltman, Vice-President of Council called the work session to order at 7:01 pm.

Managing Director's Report

Mr. Geffken read the report distributed to Council at the meeting covering the following:

- Update on the Citizens Services Center, noting that City Hall will be closed to the public on Monday, January 3 in the morning for Citizens Services Center training.
- Review of the Reading Public Library's capital needs and repairs.

Council Staff Report

Mr. Waltman inquired if anyone had questions on the report attached to the agenda.

Ms. Reed thanked Ms. Kelleher and Council Staff for their hard work throughout the year and their support of various initiatives, including the Blighted Property Review Committee.

African American Museum Update

Mr. Terrell, Mr. Olsen and Mr. Gilyard gave a power point presentation on the African American Museum, located at 119 North 10th Street and its collection. They stated that a \$250K grant from Congressman Gerlach assisted with renovations of the second floor and archiving of the collection. The museum begins with the arrival of slaves in North America to current prominent African Americans from the Reading area. They also noted their plan to continue to expand the museum and announced that the official grand opening will be in April 2011.

Mr. Nagle and Mr. McMahon arrived.

Mr. Sterner thanked the group for the update and inquired about their intent to purchase additional properties located to the south of the Church. Mr. Gilyard stated that the group is being assisted through the County ADD (Acquisition, Disposition and Demolition) program and working for additional State grants between \$500K and \$3M.

Ms. Goodman-Hinnershitz commended the group for their work to display this collection of materials that captures a bitter part of American History.

Mr. Acosta inquired if the group knew of other Berks County locations used to protect slaves. Mr. Gilyard stated that several such areas exist.

PFM Financial Policies

Mr. Mann, Mr. Kaplan and Mr. Nagle distributed a document providing the context of the draft policies attached to the agenda. They stated that the policies are intended to provide Administrative flexibility and accountability. The policies also cover the handling of surplus funds and windfall revenues in addition to the following:

- developing a structurally balanced budget
- guidelines for fund transfers and borrowing

Ms. Reed inquired if a conflict will be created between the Elected Auditor and the recently retained Controller. Mr. Kaplan stated that no conflict will exist as the Controller will function more like a Deputy Finance Director. He stated that the Charter places the Elected Auditor and the financial watch-dog.

Mr. Acosta stated that the elected Auditor could oversee the Administration's compliance with the financial policies. Mr. Mann agreed and noted that the Auditor could greatly improve his bimonthly reporting by beginning to comply with the Charter.

Ms. Goodman-Hinnershitz expressed the belief that the Charter defined role of the Auditor may need adjustment through a referendum question in the future.

Mr. Waltman suggested that the policies include some type of monetary threshold for certain transactions that would require Council approval and provide solid checks and balances. He also noted that the existing policies that were enacted by ordinance are virtually ignored by the Administration. He questioned the Administration's willingness to comply with these draft policies.

Ms. Goodman-Hinnershitz stated that the Elected Auditor will report on the Administration's compliance in the bimonthly Auditor's reports.

There was next a discussion of the difference between the Elected Auditor and the Controller.

Ms. Kelleher suggested comparing the draft policies against the policies enacted by City Council. Mr. Mann agreed and asked Council to advise him of any conflicts between the policies currently in place and the new draft policies.

Mr. Waltman stressed the need for PFM to help the Administration and City Council find balance. Mr. Acosta agreed adding the need for improved communication between the two branches of government.

PILOT (Payment in Lieu of Taxes)

Mr. Denbowski distributed information on tax exempt properties in Reading. He stated that there are a total of 984 tax exempt properties in Reading and 30.7% of those properties are governmental buildings with an assessed value of \$652M. He described the five (5) part test a not for profit organization must meet before being approved for tax exempt status, under the State Constitution.

Ms. Goodman-Hinnershitz noted litigation in 1994 between a local not for profit and the County Board of Assessments that resulted in a settlement agreement. Ms. Kelleher suggested that the Administration carefully review that settlement agreement, as the Board of Assessments does not apply that five (5) part test. She stated that she attended some hearings before the Assessment Board with Attorney John Bradley a few years ago and was shocked to see the ease an organization has in obtaining tax exempt status. She added that tax exemption is provided to organizations before they obtain zoning permits to operate in a building; therefore, the organization can obtain tax exempt status without ever having a zoning permit to operate in a City building.

Mr. Waltman noted the need to develop a strategy that will stop the bleeding by slowing the growth of not for profits within the City limits. Mr. Acosta agreed

Ms. Goodman-Hinnershitz stated that the largest component of not for profit organizations is comprised of governmental and educational facilities. She expressed the belief that the amount of not for profits needs equates to the population of the community. Mr. Denbowski agreed noting that the County Seat generally has a larger number of not for profits.

Mr. Denbowski noted the need for a plan that will require not for profits to make a PILOT or SILOT (Services in Lieu of Taxes) as these organizations use many City services paid for primarily by the City's taxpayers.

Ms. Reed suggested requesting contributions for specific services to avoid a general contribution that will fall into the City's General Fund.

Mr. Waltman noted that the PILOT program is another issue that requires more stringent management by the Administration.

Housing & Economic Development Update

Mr. Kromer stated the draft plans for the Housing and Economic Development Strategies have been developed in outline form. Public Meetings to obtain input on these draft strategies will occur in January. Copies of the outlines were distributed. He noted the effect the bursting of the housing bubble has had on the City's housing stock and suggested that the City actively purchase properties at tax and sheriff sales so the City can better control the future use of the properties and the neighborhoods they are located in.

Mr. Kromer noted the success and strength of the Blighted Property Review model used in Reading. He stated that this is one of the best and well run models in place in Pennsylvania.

Mr. Kromer noted the need to stress preservation and rehabilitation of the housing stock along with the disparity between owner-occupied and rental properties. He also suggested stronger and improved housing counseling for owner-occupied and rental properties. He suggested that the City place focus on the area between Spring Street and Franklin Street-North Front Street to North 4th Street as this area is adjacent to many city features and some strong neighborhood areas.

Mr. Kromer explained that the economic development strategy will build on what is currently in place. He stated that nation-wide the industrial marketplace is beginning to rebound. He suggested strong and aggressive marketing for industrial sites that are currently available. He also suggested consolidating and marketing the City's excessive office spaces, along with improved signage and streetscapes.

Mr. Kromer suggested making the Rockland Street area adjacent to the College Heights Community Council area an economic development site that will improve retail and restaurant uses in this area.

Mr. Kromer expressed the belief that the Housing Czar, the new CD Deputy Director, should focus on the City\County business sector and provide "walk through" assistance for all development aspects at the executive level.

Ms. Reed noted the need for improved retail to serve residential needs as well as improved retail in the downtown that can support the professional community working downtown during the work week. Ms. Goodman-Hinnershitz agreed with the need for retail to both serve the working community and draw people back to the downtown.

As no further business was brought forward, the work session adjourned at approximately 9:01 p.m.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk



Council Staff Report

12/01/10 through 12/31/10

Council Staff

Linda Kelleher, City Clerk

Michelle Katzenmoyer, Deputy City Clerk

Maritza Loaiza, Administrative Assistant

Constituent Service

The following table is a rough tabulation of the number and type of issues addressed by the Council Office in September:

Calls for Directory Assistance

Call Type	Number of Calls
Solid Waste	6
Codes	15
Tax	7
Mayor	0
Police	11
Fire	0
Community Development	1
Planning & Zoning	3
Human Resources	7
Accounting/Finance	8
Law	5
Managing Director	0
RAWA	15
Public Works	6
IT	2
Parking Authority	0
Call Center	1
Human Relations Comm	4
Parks/Recreation	0
Streets	1
Building and Trades	5
Purchasing	3
Other Departments	1
Total Calls	101

<u>Messa</u> <u>ge for</u> <u>Counc</u> <u>il</u>	<u>Complai</u> <u>nts</u>	<u>Non-City</u> <u>Directory</u> <u>Assistanc</u> <u>e</u>	<u>Calls</u> <u>Handled</u> <u>In-Office</u>	<u>Tot</u> <u>al</u> <u>Call</u> <u>s</u>	<u>Wal</u> <u>k-</u> <u>Ins</u>	<u>Email</u> <u>Reque</u> <u>sts</u>	<u>Email</u> <u>Complai</u> <u>nts</u>	<u>Total</u> <u>Email</u>	<u>Total</u> <u>Constit</u> <u>uent</u> <u>Service</u> <u>e</u>
8	5	41	265	420	41	724	539	1263	1724

Houses Identified As Missing Housing Permits, Business Licenses, or Both

Areas Covered: MDJ Cases
Property transactions
Citizen complaints

Total (Since Feb. 2008): Approx. 9947

Staff Activities

Between 12/01/10 and 12/31/10 Council staff accomplished the following tasks:

Drafted and Prepared

Linda:

- Council Activity Rept Oct, Nov & Dec
- Meeting Report, Decisions and Findings of Fact for 425 S 4th and 1051 Chestnut
- Annual Meeting Ads for Council, BRPC, Ethics, Health, Shade Tree, PARC, EAC
- Letters, Posting Notices & Ads for Conditional Use hearings for 425 S 4th and 1051 Chestnut
- Zoning Amendment Ads, Resolution and Letters
- BPRC meeting report, agenda, notices, postings and orders for Dec Hearing
- BPRC affidavits for Jan Hearing
- Brief on Tax Collection Agreement w/ County Treasurer
- Tax Exoneration Resolution for Reading School District
- Resolution re RAWA Agreement
- Amendment to BPRC Ordinance re removal of appeal language
- Letter to Planning Commission re Granicus

Michelle:

- BAC Expiration letters
- BAC Background Checks
- BAC Background Issues letters
- Complaint Updates

- Solicitation Permit Database Update
- Accounts Payable
- Staff Report
- Meeting Summaries
- Meeting Agendas
- Update Fines and Fees Database
- Finalize Bernhart Response Letter
- Correct Mailing Lists
- Begin CMC Designation Application
- Vacation Roll-over Memo
- Distribute 10 Year Park and Open Space Plan surveys to RSD schools
- Letter to Mike Leifer
- Compile 10 Year Park and Open Space Plan surveys
- Ordinance amending the Citizen's Advisory Board
- Commendations
 - Channel 69 News Crew
 - Harold Leifer
 - Fall Sports – RHS, Central and Holy Name
- Appointment/Reappointment Resolutions
 - Ellen Horan
 - Charles Broad
 - Wayne Bealer

Maritza:

- Copy and distribute all memos, handouts, and agendas per City Clerk to Council and other departments
- Scan legislation
- File all paperwork (i.e., contracts, minutes, agendas, bills, ordinances, resolutions, etc.) accordingly
- Distribute incoming mail to office staff and council members
- Register meeting speakers as requested
- Prepare and mail Thank You letter for invocators at City Council meetings
- Prepare and mail Thank You letters to speakers
- Answer constituent questions to best of my ability, forwarded complaints to appropriate departments, and updated complaint log
- Assisted constituents with legislative information they were researching or requesting
- Mail all necessary handouts/paperwork to BAC members
- Updated Codified Ordinance Books, current and vault copies
- Translate any needed fliers and documents
- Locate, Scan, and/or Copy requested legislation for various departments, other entities, or constituents.
- Type and correct dictation done by City Clerk
- Complete accounts payable forms and update budget
- Prepare Council agenda packets
- Prepare Board of Health agenda packets

- Prepare Board of Health minutes
- Train office intern in basic tasks

All staff:

- Committee of the Whole minutes, Committee meeting minutes and Regular minutes
- Drafted correspondence and memos for members of Council

Researched

Linda:

- BPRC Rehab Agreements
- Rental Registration Revocation
- Senate Bill 900 re BPRC
- Motor Vehicle Code re traffic fines
- Business License Revocation
- Street Vacation Procedures

Michelle:

- MDJ Case Review
- Steep Slope Ordinances
- Riparian Buffer Ordinances

Maritza:

- None

Meetings Attended

Linda:

- 12/2 – Atty Bradley re Reading School Dist Tax Exoneration & change in curblin at Amanda Stout
- 12/2 - FairView Executive Board
- 12/3 - Eric Weiss re Illegal Housing
- 12/9 - EPA & Exide re Contamination at Bernharts Park
- 12/9 - Atty Welz re Zoning Backlog
- 12/10 - Eric Weiss re illegal housing
- 12/10 - Navy & OEA re Navy Marine Center (conf call)
- 12/11 - Police Civil Service Test
- 12/13 - Navy & OEA re Navy Marine Center (conf call)
- 12/14 - Historic District Committee
- 12/14 - BCAP Board
- 12/14 - Navy & OES re Navy Marine Center (conf call)
- 12/15 - RAWA re blighted property process
- 12/15 - Zoning Hearing Board re Firetree/Orangestone
- 12/15 - Recreation Commission
- 12/16 - BPRC
- 12/17 - Eric Weiss re illegal housing

Hearings	12/21 - Zoning Adm & Legal Specialist re Conditional Use 12/21 - Eric Weiss re illegal housing 12/22 - IT Manager re paperless system 12/28 - R-BAR & Mayor re City Housing & BP
Michelle:	12/1 – Bid Opening – Steel Railings at Angelica Environmental Center 12/6 – Administrative Oversight Committee 12/9 – Youth Fun Day 12/10 – Eric Weiss re Rental Registration research 12/13 – Committee of the Whole 12/14 – DocStar Template Training 12/14 – Eric Weiss re Rental Registration research 12/20 – RFP Opening – Laboratory Services 12/20 – Finance Committee 12/21 – Eric Weiss re Rental Registration research 12/21 – Environmental Advisory Council 12/22 – Henry Tangredi re Paperless Agendas 12/22 – Bid Opening – Library Roof Repairs 12/27 – Committee of the Whole
Maritza:	12/9 - Youth Fun Day Meeting 12/14 – DocStar Meeting/Training 12/21 – Bid Opening – Fire Station Roof Replacement

Right to Know Requests – 5

Activities of Boards, Authorities and Commissions

Environmental Advisory Council – The EAC focused on completing their long-range planning. This will assist with identifying and prioritizing projects and partners. The EAC also heard an update regarding Exide’s revised work plan for Bernhart Park.

Park and Recreation Advisory Committee – The PARC does not hold a meeting in December. However, Plan surveys were distributed to the remaining Reading schools for completion and the results are being compiled.

Board of Health – The Board of Health Meeting was cancelled. The next meeting is scheduled for Wednesday, January 6th, 2011 at 6pm.

Blighted Property Review Committee –

- The Blighted Property Review Committee, at their hearing on December 16th, determined 13 properties as blighted. These properties will move to a Certification Hearing in mid February.

The BRPC will be holding a Certification Hearing on January 17 to consider the certification of the 12 properties determined in November.

- The Planning Commission recently reviewed the 9 properties certified by the BRPC in November and Council will be asked to refer that batch of properties to the Redevelopment Authority in late January.

BRPC Staff is currently working to improve the Rehabilitation Agreement to add a level of accountability for the property owner and working to incorporate the terms of Senate Bill 900 into our local legislation

Legislative Aide Committee – The Legislative Aide Committee would like to meet with Council in a Committee of the Whole meeting to discuss the need for a pet limitation and the Charter issue regarding the adoption of the budget by December 15th on either January 31st or February 7th .

Reading LRA – As you know the Reading Hospital has become lukewarm about the proposed project at the Navy Marine Center located on Kenhorst Blvd due to economic factors. However, through Mary's Shelter we recently learned that Alvernia may be interested in acquiring the property for a project. Alvernia officials are scheduled to tour the facility on Thursday January 6th. More information will be available soon.

Board, Authority, Commission seats - We need Council's help in filling the following volunteer openings on the City's Boards, Authorities and Commissions. Council Staff has done outreach to Albright College, Alvernia University and RACC and will undertake broader outreach in the near future.

Water Authority (RAWA) – 2 seats (1 application is pending)

Fire Civil Service Board – 1 seat

Board of Health – 1 regular seat & 1 alternate seat

Planning Commission – 1 seat (1 application is pending)

Zoning Hearing Board – 1 seat & 2 alternates (1 application is pending)

PARC – 3 seats

Human Relations Commission – 4 seats

Legislative Aide – 4 seats

PFM DRAFT

Reading Financial Policies

Structurally Balanced Budget: The City shall maintain a structurally-balanced budget in all funds. Recurring revenues will fund recurring expenditures. Non-recurring revenues and budget surpluses shall replenish reserve levels, support outstanding liabilities and pay for non-recurring expenditures, including capital projects, in that order.

The Director of Administrative Services shall demonstrate compliance or noncompliance with this policy to the Managing Director and City Council for each budget, forecast or actual report of financial results. For the purpose of this policy, recurring revenues shall include all revenues and transfers that are expected to be received on an ongoing basis, and shall exclude land or asset sales, use of fund balance, transfers from other funds that exceed ongoing and sustainable levels, and transfers from other funds that exceed legal limits.

Interfund Borrowing: The City will limit its use of interfund fund borrowing to obtain cash from one fund type or reserve to fund activities of another fund type or reserve, and will apply the following policies to such borrowings:

- (a) The borrowing is deemed a lawful use of such funds;
- (b) the Director of Administrative Services has determined that the funds to be borrowed will not be needed by the lending fund during the lending period;
- (c) the borrowing is for a temporary period while awaiting reimbursement from a grant or other outside funding source;
- (d) funds for repayment will be available by the end of the same fiscal year;
- (e) any actions taken to borrow funds under these conditions must be separately disclosed in the City's periodic financial reports to City Council;
- (f) any borrowing activity that cannot be repaid by the end of the fiscal year, other than temporary lags reimbursements, will be disclosed along with a plan for replenishment;
- (g) no such borrowing shall cause the City to be in noncompliance with its policy on structurally balanced budgets;
- (h) no such borrowing shall cause the City to be in noncompliance with applicable federal and/or state requirements or agreements; and
- (i) For existing borrowings that are not in compliance with this policy, the City shall adopt budgets and a plan to come into compliance by 2011.

Fund Transfers & Subsidies: The City may make permanent, annual transfers from other City funds into the General Fund under the following conditions:

- (a) Use a cost allocation method to allocate administrative and overhead costs to other funds or programs receiving administrative services from the City. The cost allocation method must be applied consistently across funds and years. The cost allocated to each fund must be sustainable by those other funds. A summary of the cost allocation method for each allocated cost shall be maintained in writing.
- (b) An adopted schedule for transfers that is included in the annual budget. Transfers that are not annual shall occur at least quarterly.

The City may also make transfers from enterprise funds according to the following conditions:

- (a) The transfer complies with all applicable federal and/or state requirements and agreements.
- (b) The transfer is based on an adopted calculation methodology applied each year. This methodology may be based on percentage of revenues, return on investment, percentage of net revenues, or other calculation adopted by the City Council. The methodology should be adopted consistently each year.

Financial Reports: The City Finance Department shall prepare reports to the City Council which estimate fiscal year-end projections for both revenues and expenditures. The process shall comply with initiative FI04 of the City's Act 47 Recovery Plan dated June 11, 2010.

Revenue Estimates: As a part of its budget process, the City shall establish an estimating conference process to assist in the development of its revenue estimates. The process shall comply with initiative RE07 of the City's Act 47 Recovery Plan dated June 11, 2010.

Report on Policy Compliance: The elected City Auditor will report annually to City Council on the City's compliance with these policies. This report shall be made publicly available.